

AMENDED IN ASSEMBLY AUGUST 21, 1998

AMENDED IN ASSEMBLY JUNE 11, 1998

AMENDED IN SENATE MAY 26, 1998

AMENDED IN SENATE MAY 21, 1998

**SENATE BILL**

**No. 2224**

**Introduced by Senator Alpert**

February 20, 1998

---

---

An act to add Section 24313 to the Education Code, relating to the State Teachers' Retirement System, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

SB 2224, as amended, Alpert. State Teachers' Retirement System: benefits.

The State Teachers' Retirement Law requires specified member and employer contributions to be made monthly to the Teachers' Retirement Fund.

This bill would require any member who retired under specified adjusted retirement allowance options prior to January 1, 1991, whose beneficiary had died prior to a specified date, to receive the retirement allowance without modification for *the* option if certain conditions are met. This bill would also require the transfer of a one-time gain accrued from the difference between those contributions in the 1997-98 fiscal year minus the normal cost as displayed in the June 30, 1997, actuarial valuation, for the purposes of paying

the cost of adjusting these retirement allowances, thereby appropriating the funds for that purpose.

Vote: majority. Appropriation: yes. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 24313 is added to the Education  
2 Code, to read:

3 24313. (a) Any member who retired for service  
4 under Option 2 or *Option* 3 with an effective date prior  
5 to January 1, 1991, whose option beneficiary had died  
6 prior to January 1, 1995, shall receive, effective January 1,  
7 1999, the retirement allowance without modification for  
8 *the* option if all of the following conditions are met:

9 (1) The retired member is living as of January 1, 1999.

10 (2) The retired member has not elected a new option  
11 beneficiary under Section 24306.

12 (3) The retirement allowance without modification  
13 for the option payable as of January 1, 1999, is greater than  
14 the amount payable under the option, plus the amounts  
15 from annual benefit improvements, ad hoc benefit  
16 increases and payments from the Supplemental Benefit  
17 Maintenance Account.

18 (4) The retired member does not inform the system *in*  
19 *writing, on a form provided by the system*, within 30 days  
20 of receipt of the notification of the change to the  
21 retirement allowance without modification for the  
22 option, of his or her election to continue to receive the  
23 option allowance.

24 (b) Any member who retired for service under Option  
25 4 or *Option* 5 with an effective date prior to January 1,  
26 1991, whose option beneficiary had died prior to January  
27 1, 1999, shall receive effective January 1, 1999, the  
28 retirement allowance without modification for the option  
29 if all the following conditions are met:

30 (1) The retired member is living as of January 1, 1999.

31 (2) The retired member has not elected a new option  
32 beneficiary under Section 24306.



1 (3) The retirement allowance without modification  
2 for the option payable as of January 1, 1999, is greater than  
3 the amount payable under the option, plus the amount  
4 from annual benefit improvements, ad hoc benefit  
5 increases and payments from the Supplemental Benefit  
6 Maintenance Account.

7 (4) The retired member does not inform the system *in*  
8 *writing, on a form provided by the system,* within 30 days  
9 of receipt of the notification of the change to the  
10 retirement allowance without modification—~~or~~ *for* the  
11 option, of his or her election to continue to receive the  
12 option allowance.

13 (c) The change to the retirement allowance without  
14 modification for the option, shall be consistent with  
15 Section 22453.

16 (d) A member retired for service who receives the  
17 retirement allowance without modification for the option  
18 provided under this section, shall not elect a new option  
19 beneficiary under Section 24306.

20 (e) The cost of this section shall be paid by the transfer  
21 for that purpose of the one-time gain accrued to the State  
22 Teachers' Retirement System from the difference  
23 between the contributions received pursuant to Sections  
24 22901 and 22950 in the 1997–98 fiscal year minus the  
25 normal cost as displayed in the June 30, 1997, actuarial  
26 valuation.